

AMENDED IN ASSEMBLY AUGUST 30, 2013

AMENDED IN SENATE MAY 28, 2013

AMENDED IN SENATE APRIL 11, 2013

AMENDED IN SENATE MARCH 14, 2013

SENATE BILL

No. 208

Introduced by Senator Lara

February 8, 2013

An act to *amend Section 14452 of, and to add Section 4648.11 to to,* the Welfare and Institutions Code, relating to ~~developmental~~ *public social services.*

LEGISLATIVE COUNSEL'S DIGEST

SB 208, as amended, Lara. ~~Developmental services: request for proposals.~~ *Public social services: contracting.*

Under existing law, the Lanterman Developmental Disabilities Services Act, the State Department of Developmental Services contracts with regional centers to provide services and supports to individuals with developmental disabilities. The services and supports to be provided to a regional center consumer are contained in an individual program plan (IPP), developed in accordance with prescribed requirements. Existing law authorizes the regional center to, among other things, solicit an individual or agency, by requests for proposals (RFPs) or other means, to provide needed services or supports that are not available to achieve the stated objectives of a consumer's IPP.

This bill would require a request for proposals that is prepared by a regional center for consumer services and supports to include a section on issues of equity and diversity, as specified.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law authorizes the department to enter into various types of contracts for the provision of services to beneficiaries, including contracts with prepaid health plans, as defined. Existing law requires all subcontracts entered into by prepaid health plans to, among other things, contain the amount of compensation or other consideration that the subcontractor will receive under the terms of the subcontract, except as provided. Existing law prohibits a prepaid health plan from entering into a subcontract in which consideration is determined by a percentage of the primary contractor's payment from the department.

This bill would eliminate that prohibition and instead authorize a prepaid health plan, unless the department objects, to enter into a subcontract in which consideration is determined by a percentage of the primary contractor's payment from the department.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature hereby finds and declares the
- 2 following:
- 3 (a) The State Department of Developmental Services and the
- 4 regional center system provide treatment, habilitation, and other
- 5 services to Californians with developmental disabilities so that
- 6 they may lead more independent, productive, and integrated lives.
- 7 (b) California, where diverse communities account for about
- 8 60 percent of the population, is now a "majority minority" state.
- 9 (c) The Lanterman Developmental Disabilities Services Act
- 10 requires that a person who receives services from a regional center
- 11 must have programs, services, and supports that are "person
- 12 centered" and that are based on the specific assessment and needs
- 13 of each consumer.
- 14 (d) Therefore, services provided to regional center consumers
- 15 should be provided in a linguistically and culturally competent
- 16 manner that promotes equity and diversity for all Californians.

SEC. 2. Section 4648.11 is added to the Welfare and Institutions Code, to read:

4648.11. (a) A request for proposals that is prepared by a regional center for consumer services and supports shall include a section on issues of equity and diversity.

(b) The section on equity and diversity shall request, but not be limited to, all of the following information:

(1) A statement outlining the applicant's plan to serve diverse populations, including, but not limited to, culturally and linguistically diverse populations.

(2) Examples of the applicant's commitment to addressing the needs of those diverse populations.

(3) Any additional information that the applicant deems relevant to issues of equity and diversity.

(c) This section shall not alter contracts entered into before January 1, 2014.

SEC. 3. *Section 14452 of the Welfare and Institutions Code is amended to read:*

14452. (a) All subcontracts shall be entered into pursuant to the requirements of the Knox-Keene Health Care Service Plan Act of 1975, or the requirements of Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, as appropriate, and federal law. All subcontracts shall be in writing, a copy of which shall be transmitted to the department.

Each subcontract shall contain the amount of compensation or other consideration ~~which that~~ the subcontractor will receive under the terms of the subcontract with the prepaid health plan; ~~provided, however, that these plans. These~~ provisions shall not apply to a provider who is employed or salaried by the prepaid health plan. ~~A prepaid health plan shall not enter into any subcontract in which consideration is determined by a percentage of the primary contractor's payment from the department. Unless the department objects, a prepaid health plan may enter into a subcontract in which consideration is determined by a percentage of the primary contractor's payment from the department.~~ This subdivision shall not be construed to prohibit any subcontract in which consideration is determined on a capitation basis.

Subcontracts between a prepaid health plan and the subcontractor shall be public records on file with the department. The names of the officers and owners of the subcontractor, stockholders owning

1 more than 10 percent of the stock issued by the subcontractor, and
2 major creditors holding more than 5 percent of the debt of the
3 subcontractor shall be submitted by each prepaid health plan to
4 the department and shall be public records on file with the
5 department.

6 (b) A prepaid health plan ~~which~~ *that* is not a qualified health
7 maintenance organization pursuant to Title XIII of the federal
8 Public Health Service Act shall submit all provider and
9 management subcontracts to the department for approval prior to
10 the subcontract taking effect.

11 (c) Each subcontract shall require that the subcontractor make
12 all of its books and ~~records~~, *records* pertaining to the goods and
13 services furnished under the terms of the ~~subcontract~~, *subcontract*
14 available for inspection, examination, or copying by the department
15 during normal working hours at the subcontractor's place of
16 business, or ~~at such other~~ *another* mutually agreeable location in
17 California.